



Climate, scarcity and multilateralism
Presentation at United Nations Association UK conference
Belfast, 6 November 2008

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Thank you very much for the invitation to speak here today.

In this talk, I'd like to focus on how the multilateral system we have now is placed to deal with climate change – and with related issues, like energy security, water depletion and global food security. I'm going to argue that to handle such complex challenges effectively, far-reaching reform is needed – but also that such reform is achievable, and will generate real results if we can carry it through.

First, though, a quick scene-setter. You'll already be familiar with the litany of damages we can expect from climate change – temperature increase, rising sea levels, droughts, floods, glacial melting, extreme weather events and so on – and that all of this is happening much faster than scientists expected even just a few years ago.

You'll also be aware that policymakers have set themselves a demanding deadline of the end of next year to agree on what happens after the Kyoto Protocol's first phase expires in 2012. Right now, it's not clear that they actually know what kind of a deal they're trying to agree, much less how to get there. It's also discouraging to realise how far off track most countries are with the very modest targets they agreed on Kyoto.

And of course, you'll also not have missed the upheavals underway on various issues that have a close relationship to climate change.

On energy, oil prices touched \$147 a barrel earlier this year, their highest level ever. More recently, they've collapsed back down to around \$60 – but the International Energy Agency will say in its new World Energy Outlook, due out shortly, that output from existing oil fields is falling much faster than expected and that new fields will struggle to make up the difference. Moreover, the investment needed in new production just isn't coming on stream fast enough – so that without a collapse in demand, according to a recent Chatham House report, prices could yet reach \$200 a barrel in the next five years.

Meanwhile, there's the issue of global food prices that we've heard so much about in recent months. One of the biggest drivers here is simply the fact that more people are getting more affluent – and shifting to western diets with more meat and dairy products, which are much more grain-intensive. The rush to biofuels is also a big part of the picture. And globally, we've consumed more food than we've grown for each of the last five years, leading to stock levels at an all time low. Looking to the future, most experts agree that rather than being just a blip, we're seeing the start of a long term trend of higher prices.

Now the underlying point here is that all these issues are all interconnected – and the multilateral system needs to treat them as such.

It's pretty obvious that climate change will be bad news for food security, for instance: the Intergovernmental Panel on Climate Change reckons that it will lead to between 40 and 170 million more undernourished people. But it's more surprising to realize that the link can work the other way around too – that global agriculture is responsible for as much as a third of the world's greenhouse gas emissions.

Or look at links between energy and food. It's become clear to us all that biofuels can cause problems for food security: this year, a full third of the US corn crop is projected to go into fuel tanks rather than stomachs. But it's more surprising to realize how much the world's food system depends on energy, too: for intensive agriculture depends on energy to plough the land, harvest crops, and then process, refrigerate, freight and distribute them, as well as to manufacture fertilizer. So as energy gets more expensive, food does too.

And notice as well how many common drivers and implications are shared between these issues.

One example is that the rising material demands of a global middle class - in China, in India, in the US, in the UK – are a central driver not only of climate change, but also of higher prices for energy and food. Demand for both oil and food is forecast to grow by 50 per cent by 2030.

Another common theme is that when key resources become more scarce – whether the resource in question is energy, or food, or the climate's capacity to soak up our emissions safely – then it's usually the poorest and most vulnerable people who get hit hardest by the impacts.

And a third is that all of these issues involve some very fundamental questions about equity and fair shares – which I'll come back to at the end.

II.

So there are a few thoughts on the nature of the challenges we face in the years to come, and why it's so important to understand them. How does today's multilateralism shape up in the face of these risks?

Well, one of the best analyses remains that set out by the High Level Panel on threats, challenges and change, back in 2004. The Panel was stark about the limitations of trying to treat different global risk issues as separate, stand-alone threats when what's needed is a coherent, integrated approach.

It said, “finance ministries tend to work only with the international financial institutions, development ministers only with development programmes, ministers of agriculture only with food programmes and environment ministers only with environmental agencies.”

And its conclusion was that, “Existing global economic and social governance structures are woefully inadequate for the challenges ahead”.

A few years on, and the situation's no better. The system we have is still fragmented into institutional silos, while the risks are systemic. Only at the centre of organisations – in the offices of Prime Ministers, Presidents, Secretaries of State and Secretaries General – is the whole picture to be found.

But these 'centres' have limited time and attention, which makes it hard for them to imagine, or deliver the long-term cross cutting policy agendas that are needed. All too often, the urgent crowds out the essential, and the long term view is lost. And that risk increases exponentially when we're talking not just about one government or organisation, but about the need for lots of them to act collectively.

All in all, then, the international system that we have today is badly set up to manage risks like climate change, or to build resilience to its impacts. It's too short termist, too fragmented, too prone to being knocked off course by the unexpected.

But the good news is that crisis has always been fertile ground for multilateral renewal - if you have a plan ready for when the window of opportunity opens, suddenly and briefly. The UN didn't just happen at the Dumbarton Oaks conference in 1944, after all, nor the IMF at Bretton Woods - painstaking planning and mobilisation for the moment of opportunity was underway many months in advance.

Today, another window of opportunity for multilateral reform and renewal is opening up. We can already see it in the aftermath of the credit crunch: some policymakers are calling the G20 summit on financial reform, due to be held in Washington in a couple of weeks, a "Bretton Woods 2". As policymakers realize the full scale of the climate challenge, or the fact that volatility in trade, energy and food prices is here to stay for the foreseeable future, the political will to reform other areas will open up too.

But as yet, we don't have the *ideas* we need to move quickly and take advantage of the political will for international reform that will open up during this period of increased turbulence. "Bretton Woods 2", for example, is a rather extravagant name for the G20 summit this month given the paucity of concrete ideas on the table.

So the real question is this: given the range of interconnected global risks we face - energy, food and water security, financial turbulence, resource nationalism, protectionism, trade imbalances, protectionism and of course climate change to name just a few - what is it we want the multilateral system to *achieve*? Rather than focusing on the *form* of international cooperation - new organisations, G8 expansion, Security Council reform and so on - what are the *functions* that we want international cooperation to deliver?

III.

In the ten minutes or so that I have left, I'm not going to attempt a definitive answer to that question - not only because I don't have enough time, but also because the most important thing at this stage is to broaden the conversation out and start building *shared awareness* about what we want from tomorrow's multilateralism.

If we can get this shared sense of problems, possibilities and priorities - not only between policymakers, but also between the world's peoples, given the extent to which non-state actors are central players in 21st century foreign policy - then the future looks bright. Without it, on the other hand, it's hard to see how we'll make more progress than we are today.

So as we begin this global conversation, what are some of the areas we need to discuss?

Well, to start with an obvious point: in this period of more turbulence, we need to get used to dealing with much more **uncertainty**. We can't predict everything that will come at us - but we can do more to *anticipate* it. Lack of evidence shouldn't hold us back from thinking about what-ifs - for example, what would be involved in a rapid scale-up of the humanitarian system's capacity if we find the risks tending towards worse rather than better cases.

Second, it's clear that much investment is needed in **helping developing country governments and communities to build resilience and reduce risk**. Many important areas of work are already underway, whether in early warning, mapping vulnerability, helping communities to adapt to climate change, building social safety nets or supporting local capacity building for disaster response.

But today, we need to be mainstreaming that focus on resilience through the *whole* of the development community.

A lot of good work is happening on different dimensions of resilience in developing countries – adaptation, disaster risk reduction, conflict prevention, peace-building, participatory governance, social protection and so on – but it doesn't always add up to more than the sum of its parts. We need the international system to ask: what would a more thorough, comprehensive approach to helping build resilience in partner countries look like?

In particular, I'd argue that the growing importance of *scarcity* issues will require donors to place much more priority on governance regimes for natural resources like land, water, fisheries and forests, and to look at the politically charged questions involved of who owns them, who has access to them, who gets to trade them and so on. It's on questions like these that the future success or failure of conflict prevention strategies will increasingly depend.

Third, we need to face up to the fundamental issues of **equity and fairness** that are at play. As I've already touched on, the single biggest driver of rising food prices, rising oil prices, rising concentrations of greenhouse gases is simply demand: the rising demand that comes with the rising affluence of a growing middle class, and a rising population too.

If supply – of oil, of food, of “airspace” for our emissions – rises at the same rate, then fine. But we know better than that; nothing rises for ever. And as we start thinking about the shape of a global deal for bringing global consumption of fossil fuels and other commodities back within sustainable levels, we need to face up to the need to ensure fair shares for all.

That means fair shares of global food supplies, rather than the poor being squeezed by rocketing demand for crops as feed for livestock, or fuel for cars. It means fair shares of global energy supplies, rather than a century of friction and conflict between great powers trying desperately to secure oil resources all over the world. And it means fair shares to the world's atmosphere, so that we can get on with the job of sharing out a safe global emissions budget that brings the world's climate back to stability, rather than endless squabbling over who created the problem.

Fourth, there's much to discuss on **finance**. Shifting to a low carbon economy, and managing the impacts of growing scarcity trends, will be an expensive business. The UN Development Programme has estimated that the costs of climate adaptation alone may reach \$86 billion a year in developing countries, for example. The Food and Agriculture Organisation thinks we may need \$30 billion a year more investment in developing world agriculture. And there are still all the financing needs on the Millennium Development Goals that we already know about.

In a post-credit crunch downturn, meeting commitments to the developing world will be tough for developed country governments. But we, as civil society activists and as voters, need to ensure that governments don't get the chance to use the downturn as an excuse to backslide on their commitments - trend of which there were some worrying signs at the Secretary-General's Call to Action event in September.

Finally, we need an overall **narrative** to frame the process of global transition we're all involved in.

As we head into this period of turbulence, there are real risks for humanitarianism if the overall political narrative becomes dominated by fear - of increasing instability, of scarcity, of conflict with different regions, ethnicities or nationalities.

Fear is fertile ground for kneejerk policy responses and for publics focusing on 'people like us' rather than a wider humanitarianism. As humanitarians, we clearly have a big stake in promulgating a different storyline, stressing transition to a new stable state rather than just the new instability.

So we should emphasise how much we've achieved on hunger – reducing the proportion of hungry people from over a third in the 1960s to 17% today, even as global population has risen. We should stress how poverty has fallen even as the world's population has risen. We should underline that once we really commit to solving climate change, the costs are likely to be lower than we expect – just as happened when we took the decision to phase out ozone-depleting chemicals back in the 1980s – and that in any case the costs of delay and inaction would certainly far outweigh the costs of acting now.

I think the issue of population growth is an especially important element in our narrative. As the world's population level reaches new highs every year, it can sometimes seem as though we're 'running to stand still', and that there won't be enough resources to go around. But in fact, global population growth has slowed down markedly since its peak in the 1960s. It's on course to stabilise, too, at around 10 billion people – implying that the challenge is actually more a case of 'one last push'. And above all, we know how to stabilise populations: through girls' education, through access to reproductive health services, through reducing poverty, through the process of development itself.

Above all, I think we need to keep underlining that the although we seem to be entering a stretch of rapids on the river ahead, there's every prospect that we'll navigate it successfully – as long as we don't panic, look ahead, and above all remember to paddle together. If there's one message that members of the United Nations Association are uniquely well placed to deliver – especially now, with the prospect of real US re-engagement with multilateralism – then that's it.